

Message Text

LIMITED OFFICIAL USE

PAGE 01 ABU DH 00346 160924Z

11

ACTION NEA-09

INFO OCT-01 ISO-00 EB-07 /017 W

----- 066959

R 160625Z FEB 75

FM AMEMBASSY ABU DHABI

TO SECSTATE WASHDC 2580

INFO AMEMBASSY BEIRUT

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

USDOC WASHDC

LIMITED OFFICIAL USE ABU DHABI 0346

E.O. 11652: N/A

TAGS: ECRE, BTIO, TC

SUBJ: U.S. JOINT-VENTURE BIDS ON ABU DHABI WATER PIPELINE PROJECT

1. ABU DHABI GENERAL PROJECTS COMMITTEE HAS OPENED BIDS FOR CONSTRUCTION OF RING MAINS FOR ABU DHABI WATER PIPELINE SYSTEM. THIS SYSTEM WILL CONNECT TO OMM AN-NAR DESALINATION PLANT (SEE ABU DHABI 97) SCHEDULED TO BEGIN OPERATIONS IN THREE TO FOUR YEARS. BIDS SUBMITTED WERE AS FOLLOWS:

(A) DH. 128 MILLION (32.4 MILLION DOLLARS). CONSOLIDATED CONSTRUCTING COMPANY, LEBANON. PIPE IS COMBINATION OF DUCTILE IRON AND CEMENT-ASBESTOS.

(B) DH. 140 MILLION (35.4 MILLION DOLLARS). NTHYSEN-RANDA (GERMANY) AND SOCEA (FRANCE), USING CEMENT ASBESTOS AND DUCTILE IRON PIPE.

(C) DH. 147 (37.2 MILLION DOLLARS). PAUL N. HOWARD COM, GREENSBORO, NORTH CAROLINA, AND HARBARD CONSTRUCTION CORPORATION, BIRMINGHAM, ALABAMA. ALL PIPE DUCTILE IRON SUPPLIED BY AMERICAN CAST IRON, BIRMINGHAM, ALABAMA.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ABU DH 00346 160924Z

(D) DH. 154 MILLION (39.0 MILLION DOLLARS). SAME BIDDERS AS (B) ABOVE, BUT USING ALL DUCTILE IRON PIPE.

(E) DH. 155 MILLION (39.2 MILLION DOLLARS). SAME BIDDERS AS (A) ABOVE, BUT USING ALL DUCTILE IRON PIPE.

2. BIDS WILL NOW BE REFERRED TO DEPARTMENT WATER AND ELECTRICITY'S SPECIALIZED CONSULTANT, TEBODIN (HOLLAND) FOR EVALUATION. CONSULTANT'S RECOMMENDATION TO DWE EXPECTED IN ABOUT ONE MONTH. IN NORMAL PROJECT AWARDS HERE, DWMILL MAKE RECOMMENDATION TO ABU BFABI GENERAL PROJECT COMMITTEE BASED ON CONSULTANT'S EVALUATION. THEN PROJECTVNOMMITTEE, COMPOSED OF REPRESENTATIVES OF DWE, AND DEPARTMENTS OF PLANNING, PUBLIC WORKS, FINANCE, AND LEGAL EXPERTS, MAKE FINAL RECOMMENDATION FOR CABINET APPROVAL. PROCESS CAN BE LENGTHY ONE, BUT BIDDERS HAVE OFFERED TO FOREGO ESCALATION CLAUSE IF CONTRACT SIGNED WITHIN SIXTY DAYS.

3. BIDS ARE NOT AUTOMATICALLY AWARDED TO LOS BIDDERS, ESPECIALLY WHERE THERE IS A SIGNIFICANT TECHNICAL DEVIATION OR WHERE THE PRICE RANGES ARE AMONG THE BIDDERS ARE NOT LARGE. IF DWE ON TECHNICAL GROUNDS DECIDES IN FAVOR OF USING ALL DUCTILE IRON PIPE, THEN U.S. GROUP HAS EXCEEWENT CHANCE WIN CONTRACT. HOWEVER, BIDDERS OFFERING ALTERNATIVE COMBINATION IRON AND CEMENT-ASBESTOS CAN OFFER BOTH LOWER INITIAL PRICE AND MUCH LOWER SHIPPING COST, SINCE THE CEMENT-ASBESTOS PIPE WILL BE MANUFACTURED IN THE ETERNIT FACTORY IN DUBAI. HOWARD-HARBART'S LOCAL AGENTS ESTIMATE THAT SHIPPING THE IRON PIPE FROM USA WILL ADD DH. 20 MILLION TO PROJECT COST.

4. EMBASSY WILL CLOSELY FOLLOW PROGRESS THIS TENDER. U.S. GROUP'S PERFORMANCE SO FAR HAS BEEN MOST IMPRESSIVE, AND LOCAL AGENTS VERY OPTIMISTIC OF COMPANIES' CHANCES IF TECHNICAL DECISION IN THEIR FAVOR. WE ARE ENCOURAGED THAT AMERICAN CONTRACTING FIRMS ARE FINALLY COMPETING FOR MAJOR GENERAL CONSTRUCTION PROJECTS IN LUCRATIVE UAE MARKET. IT IS ESTIMATED THAT ABOUT 65 PERCENT OF ABU DHABI'S 1975 BUDGET WILL BE ALLOCATED FOR DEVELOPMENT EXPENDITURES, AND IN RECENT BIDDING U.S. COMPANIES (CF. ABU DHABI 298) HAVE SHOWN THEMSELVES VERY COMPETITIVE WHEN WILLING TO CONTEST PROJECTS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ABU DH 00346 160924Z

WITH EUROPEANS AND OTHERS.

5. FOR STATE AND USDOC: REQUEST INFORMATION PARAGRAPHS 1-3 BE KEPT CONFIDENTIAL BECAUSE OF DELICACY OF EVALUATION PROCEDURE.

6. FOR ADDRESSEE EMBASSIES: HOWARD CONSTRUCTION INTERESTED IN WATER AND SEWER CONSTRUCTION PROJFTS. IF ANY SUCH

PROJECTS IN YOUR AREA, SUGGEST SENDING INFORMATION TO
PAUL N. HOWARD COMPANY, P.O. BOX 20488, GREENSBORO,
NORTH CAROLINA 27420, TELEX: 574341.
PEALE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WATER, JOINT VENTURES, PROPOSALS (BID), PIPELINES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 FEB 1975
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: johnsorg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ABUDH00346
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750056-0853
From: ABU DHABI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750237/aaaabhw.tel
Line Count: 119
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: johnsorg
Review Comment: n/a
Review Content Flags:
Review Date: 04 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 AUG 2003 by CunninFX>; APPROVED <02 DEC 2003 by johnsorg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S. JOINT-VENTURE BIDS ON ABU DHABI WATER PIPELINE PROJECT
TAGS: ECRE, BTIO, TC, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006